File No. 220
19 1929

Collection No. 17

Office of the Resident
in Mysore
Bangalore

Pros. Serial Nos.

Subject.

790 GT. /29

(Central Board of Revenue circulars)

Previous References.

Later References.

S. 97.

MGIPC—FP—52DCFMis.—(1783)—27-5-25—39,000.

S.N.1 (P.U.C)

Letter C.No.560-I.T./28, dated the 4th July, 1929, frc the Secretary, Central Board of Revenue, Simla.

(1) Please see S.Nos. 136/c, 136/c.c., 142 and the P.U Draft submitted.

H, N+Q.

CF-rampara

A Subbaraja
26/7/29

26/7/29

S.N.2. Issued No.6510, dated the 29th July, 1929.

S.N.3. (P.U.C)

Letter R's No.6510, dated the 30th July, 1929, from the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

(2) # Please see S.Nos. 1, 2 and the P.U.C.

#Slip (V+W)

Draft submitted.

(CF-rampara 2)

A. Subbaraja
2/8/29

S.N.4. Issued No.6769, dated the 6th August, 1929.

S.N.6 | Letter C.No.798-I.T./29, dated the 5th March,1930, from the Secretary, Central Board of Revenue.

(3) Draft submitted.

Secretary

C.R. Srikanta Iyer 25/3/30

26.3.30

S.N.7 | Issued No.2963, dated the 3rd April, 1930.

S.N.8 | Copy of letter No219-I.T./30, dated the 24th March, 1930, from the Senior Personal Assistant to the Members Central Board of Revenue, to the Commr. of Income-tax, Madras.

(4) Draft submitted.

C.R. Srikanta Iyer 10/4/30

10/4

S.N.9 | Issued No.3303, dated the 21st April,1930.

S.N.10. | From the Collector and Asst. Commr. of Income-tax No. I.T.G/16/30 dated 9-5-30.

Draft submitted.

K.M. Vasudevan 17.5.30

17/5

S.N.11. | Issued No. 4177 dated 21-5-30

D. Dis. No. 790-I. T./29.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT (CENTRAL REVENUES).

New Delhi, the 28th January 1930.

From

V. S. SUNDARAM, Esq.,

Deputy Secretary to the Government of India,

To

All LOCAL GOVERNMENTS and MINOR ADMINISTRATIONS.

Exemption from income-tax—Certificate of—Interest on Securities—Securities made over to Bank for collection of interest—Paragraph 61 of the Income-tax Manual, Volume I (3rd Edition).

Sir,

In accordance with paragraph 61 of the Income-tax Manual, 'exemption certificates' are issued by the Income-tax Department in respect of tax on interest on securities held by certain institutions, etc., the incomes of which are exempt from tax, by persons whose assessable income is less than Rs. 2,000, or by others whose income, though liable to tax, is so relatively stable that it is unlikely that the appropriate rate of tax will vary from year to year. These certificates authorise officers or others paying interest on securities, as defined in Section 8 of the Indian Income-tax Act, XI of 1922, either to deduct no income-tax when paying interest on securities, to which the certificate relates, or to deduct it at such rate, less than the maximum rate, as is appropriate to the income of the recipient. The object of these certificates is to avoid unnecessary refunds of income-tax. It has been brought to notice that difficulty arises when the owner of a security to whom a certificate is granted according to these instructions endorses the security to his bank for collection of interest. The officer responsible for paying the interest is, strictly speaking, bound to regard the bank as the real holder of the security and to take no cognisance of any arrangement that may have been entered into between the real owner of the security and the bank, with the result that the certificate standing in the name of the real owner of the security granted by the Income-tax Officer becomes inoperative. To avoid the possibility of paying officers' refusing to act on the exemption certificate in such circumstances, I am directed to request that, with the permission of His Excellency the Governor in Council, general instructions may be issued to all Treasury Officers paying interest on securities that they should act on such certificates, when presented in respect of securities that have been endorsed

to banks for collection of the interest, if together with the exemption certificate a declaration by the bank is presented to the effect that the security continues to be the property of the person named as the owner in the exemption certificate.

I have the honour to be,

Sir,

Your most obedient servant,

(Sd.) V. S. SUNDARAM,

Deputy Secretary to the Government of India.

Copy forwarded to all Commissioners of Income-tax and the Controller of the Currency. The instructions in paragraph 61 of the Income-tax Manual will be amended.

By order, etc.,

for *Deputy Secretary to the Government of India.*

No. 1749 24/2/30

Copy forwarded to the Collector and Assistant Commissioner of Income-tax, C&M Station Bangalore

the Pay and Accounts Officer, Bangalore

for information and guidance.

SECRETARY TO THE RESIDENT

GIPD—969 CBR—5-2-30—1,530.

6.

D. Dis. No. 790-I. T./29.

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By order, etc.,

(Sd.) RAM NATH,

for *Deputy Secretary to the Government of India.*

GIPD—969 CBR—5-2-30—1,530.

C.No.798-I.T./29.

CENTRAL BOARD OF REVENUE.

New Delhi, the 5th March 1930.

From

V. S. Sundaram, Esquire,

Secretary, Central Board of Revenue,

To

The Secretary to the Resident and Commissioner of Income-tax, Civil & Military Station, Bangalore.

Sir,

Mutual Annuity Funds - Income-tax and Super-tax Assessment of, to.

There has been considerable confusion in the pas regard to the liability to income-tax and super-tax of certain mutual annuity funds. An important example is, the General Pension Family/Fund, Calcutta. This Fund has a large capital of 111 lakhs and the whole of its income is applied to providing pensions for its subscribers and their nominees. About three-quarters of the subscribers are Government servants, active or retired. It was exempted from income-tax in 1886 but ceased to be eligible for exemption in 1888. By a mistake, income-tax was not deducted from the interest on its securities up to 1905. Since 1905, it has been deducted. In the current financial year, for the first time, the income-tax authorities took up the question of assessing it to super-tax.

2. Apparently similar cases are those of the Hindu Annuity Fund and the Bengal Christian Family Pension Fund. It has been decided provisionally that in all these cases income-tax should be deducted at source from the interest on the securities held by these Funds but that super-tax should not be levied on their income pending further orders.

3. Somewhat different cases are those of the Bombay Uncovenanted Service Family Pension Fund, the Bengal Uncovenanted Service Family Pension Fund and the Bengal and Madras

CONFIDENTIAL.

New Delhi the 8th March 1939.

From

H. T. Sorabjee, Esquire,

Secretary, General Branch to Government,

To

The Hon'ble Sir Maurice Gwyer, Kt., C.B.E.,

Chief Justice, Federal Court,

New Delhi.

Dear Sir Maurice,

Somewhat different views are those of the Bombay Government on the question whether Provincial Governments should be consulted in the matter of appointments to the Federal Court. The Bombay Government are definitely opposed to any such consultation. They feel that the Chief Justice of India should be left entirely free to make his own selection. They are also opposed to the Chief Justice being required to consult the Governors of Provinces. They feel that the Governors should not be asked to express any opinion on the qualifications of candidates for appointment to the Federal Court. They are also opposed to the Governors being required to consult their Ministers. They feel that the Governors should not be asked to express any opinion on the qualifications of candidates for appointment to the Federal Court. They are also opposed to the Governors being required to consult their Ministers.

Yours sincerely,

H. T. Sorabjee

Secretary, General Branch to Government.

Service Family Pension Fund. Income-tax cannot be deducted at source from the income of these three Funds, since their money is not invested in securities, but simply deposited with the Government. The Commissioners of Income-tax concerned have been requested, separately, to report whether there is ~~any~~ any reason why income-tax and super-tax should not be levied on the income of these Funds.

4. Will you please report (1) what Funds, or other institutions, organized on a mutual basis for the provision of annuities or pensions to their members (whether Government servants or others) exist in your Province, (2) whether they are assessed to income-tax or super-tax at present, (3) if not, why, and (4) whether in your opinion they should be assessed to income-tax alone or to both income-tax and super-tax.

5. As far as possible full particulars should be given of the financial position of these Funds and the status of their members. With reference to the question of super-tax assessment it should be remembered that any fund that is not a company would be assessed as an association or individuals and would be liable to graduated super-tax. In any case it might be considered unreasonable to levy super-tax on institutions the members of which were all persons of, to say the least, very moderate means.

6. You should also state what amount of revenue would be lost, or foregone, if it should be decided finally to exempt institutions of this class from

(a) income-tax, and

(b) super-tax respectively,

and it should also be stated how, if any such exemption should be decided on, the class of Funds under consideration, the nature of which the Board thinks you will understand in a general way from the examples given, could fairly be differentiated

from

from the departments of regular insurance companies undertaking annuity business.

I have the honour to be,

Sir,

Your most obedient servant,

Secretary, Central Board of Revenue.

A.M.S.
7/3/30.

[R.O.106(a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 3/4/ 1930

No. 2963 Enclos. /

7

+ S. N. 6 (One)

A copy of the marginally* noted letter, ~~with enclosure~~, is forwarded to the Collector and Assistant Commissioner of Income-tax, C & M Station, Bangalore, with the request that he will kindly furnish to this office the information asked for.

C. *No. 798-I.T./29
dated the 5th March, 1930,
from the Secretary, Central Board of Revenue.

1212—16-3-1929—5,000—RPB.

Secretary to the Resident.

25/3/30

28/3.

28.3.

D.Dis.No.219-I.T/30.

CENTRAL BOARD OF REVENUE.

New Delhi, the 24th March 1930.

From

Rai Bahadur Pandit Ram Nath, B.A.,

Senior Personal Assistant to the Members,

Central Board of Revenue.

To

The Commissioner of Income-tax,

MADRAS.

35990
Rec'd 31/3/30

Sir,

Exemption from income-tax and super-tax - Indian Central Committee - Chairman and members of - Personal and subsistence allowance of - Inclusion of in total income for purposes of 'rate' Your letter C.R.No.121/30, dated the 10th March 1930.

In reply to your letter quoted above, I am directed to say that the personal and subsistence allowances paid to the Chairman and Members of the Indian Central Committee and the Private Secretary to the Chairman should not be included in total income and taken into account in determining the appropriate rate of tax.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- RAM NATH.

Senior Personal Assistant to the Members,
Central Board of Revenue.

Copy forwarded to all other Commissioners of Income-tax for information.

By order, etc.,

Ram Nath
26.3.30

Senior Personal Assistant to the Members,
Central Board of Revenue.

BRS. 24.3.30.

[R.O.106(a).]

9

OFFICE OF THE RESIDENT IN MYSORE,

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

Bangalore, 21/4/1930

No. 3303 Enclos. /

+ S.N.8. (blue).

A copy of the marginally* noted + letter, ~~with enclosure~~, is forwarded to the Collector and Assistant Commissioner of Income-tax, C & M Station, Bangalore, for information.

D.Dis. *No. 219-I.T./30,

dated the 24th March, 1930,

from the Senior Personal Assistant to the Members, Central Board of Revenue, to the Commissioner of Income-tax, Madras.

Secretary to the Resident.

1212—16-3-1929—5,000—RPB.

CRS. 1074/30

10

No. I.T.G/16/30

Office of the
Collector and Assistant Commissioner of Income-tax,
Civil and Military Station, Bangalore,

Dated the 9th May 1930.

FROM G. H. Cooke, Esq., M.C., I.C.S.,
COLLECTOR AND ASST. COMMR. OF INCOME-TAX,
CIVIL AND MILITARY STATION,
Bangalore.

To

The Secretary to the Resident
in Mysore, Bangalore.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
15 MAY 1930
Regd. No. 5188
File No. 220/1929

S. R. 7

Subject.— Mutual Annuity Funds - Incometax and Supertax - Assessment of, to.- Your No. 2963 dated 3rd April 1930.

SIR,

I have the honour to state that there are no funds of the kind referred to, in this Station.

I have the honour to be,
Sir,
Your most obedient servant,

Collector & Asst. Commr. of Incometax.

SM.

9.5.30.

DESPATCHED
15 MAY 1930

No 4177
dt 21/5/30

From

The Secretary to the Resident and Commissioner of Income - tax, C & M Station, Bangalore.

To

The Secretary

Central Board of Revenue

Mutual Annuity Funds- Income-tax and Super-tax-Assesment of ..to-

Sir,

(U)
S. N. 6

With reference to your letter C.No.798-I.T./29, dated the 5th March 1930, I am directed to say that there are no funds of the kind referred to in the Civil and Military Station, Bangalore.

I have etc

19/5.

for Secretary to the Resdt

17.5.30

21/5/30